

Message Text

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ACTION EUR-12

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DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 7466

E.O. 11652: GDS

TAGS: ELAB, PINT, PO

SUBJ: LABOR DEVELOPMENTS

REF: LISBON 7225 (DTG 211632Z OCT 76)

SUMMARY: AN AFL-CIO ARTICLE MENTIONING CONTACTS WITH DEMOCRATIC UNIONS IN PORTUGAL WAS STRONGLY ATTACKED BY THE COMMUNIST PRESS. THROUGH COINCIDENCE OR OTHERWISE, IRVING BROWN'S ARRIVAL IN LISBON FOR THE SOCIALIST PARTY CONGRESS MAY BRING ADDITIONAL PROPAGANDA ATTACKS FROM THE PCP. BROWN'S SOCIALIST PARTY HOSTS SEEM UNPERTURBED. INTERSINDICAL MARKED A JANUARY DATE FOR ITS NATIONAL LABOR CONGRESS. THE GOVERN-
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MENT ANNOUNCED A SMALL INCREASE IN MINIMUM WAGES DURING 1977.

END SUMMARY.

1. COMMUNISTS ATTACK ALLEGED INVOLVEMENT BY US LABOR: IN A BITTER EDITORIAL AND ACCOMPANYING NEWS STORY THE COMMUNIST DAILY "O DIARIO" ATTACKED THE AFL-CIO FOR INTERVENTION IN PORTUGUESE LABOR AFFAIRS. THE ATTACKS RESPONDED TO AN ARTICLE APPEARING IN THE AFL-CIO PORTUGUESE LANGUAGE PUBLICATION "CORREIO OPERARIO NORTE-AMERICANO" STATING THAT THE CONFEDERATION HAD BEEN IN CONTACT WITH PORTUGAL'S TWO LARGEST POLITICAL PARTIES AND VARIOUS GOVERNMENT OFFICIALS. THE PCP PAPER CITES THE ARTICLE AS PROOF OF U.S. INTENTIONS TO DIVIDE THE PORTUGUESE LABOR MOVEMENT.

2. IRVING BROWN TO VISIT PORTUGAL: THE SOCIALIST PARTY INVITED AFL-CIO PRESIDENT GEORGE MEANY TO ATTEND ITS ANNUAL CONGRESS, OCT 30 - NOV 1. MEANY WILL BE REPRESENTED BY AFL-CIO EUROPEAN REPRESENTATIVE IRVING BROWN.

3. INTERSINDICAL LABOR CONGRESS IN JANUARY: A GENERAL MEETING OF INTERSINDICAL UNIONS OCT 20-21 SET THE DATES OF THE NATIONAL LABOR CONGRESS FOR JANUARY 27 - 30. THE CONGRESS MAY BE POSTPONED UNTIL FEBRUARY 13 IN CASE OF ADMINISTRATIVE DELAYS. THE GENERAL MEETING CLAIMED TO REPRESENT 224 UNIONS, 16 DISTRICT FEDERATIONS, AND 12 OCCUPATIONAL FEDERATIONS, WITH A TOTAL MEMBERSHIP OF 1,600,000 WORKERS. AN ORGANIZING COMMISSION FOR THE CONGRESS WAS CREATED COMPOSED OF 36 UNIONS, 2 OF WHICH WERE ORIGINAL SIGNERS OF THE OPEN LETTER (CARTA ABERTA) MOVEMENT INITIATED BY DEMOCRATIC UNIONS.

4. GOVERNMENT TO RAISE MINIMUM WAGES: MINISTER OF LABOR MARCELO CURTO ANNOUNCED IN A PRESS CONFERENCE OCT 27 THAT DURING THE YEAR 1977, THE NATIONAL MINIMUM WAGE WOULD BE RAISED FROM 129 DOLLARS PER MONTH (4,000 ESCUDOS) TO 145 DOLLARS PER MONTH (4,500 ESCUDOS). MINIMUM WAGES FOR AGRICULTURAL WORKERS ARE TO BE SET FOR THE FIRST TIME EVER, CONFIDENTIAL

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AT 113 DOLLARS (3,500 ESCUDOS) PER MONTH. MINIMUMS FOR WORKERS UNDER 30 YEARS OF AGE ARE HALF THE ESTABLISHED RATES.

5. INSURANCE WORKERS VOTE SOCIALIST: THE INSURANCE WORKERS UNION FOR LISBON AND SOUTHERN PORTUGAL RETURNED ITS SOCIALIST LEADERSHIP TO OFFICE IN A UNION ELECTION OCT 28.

6. PORTUGUESE MILITARY DISMISSES CIVILIAN WORKERS FOR AGITATION: IN WHAT IS REGARDED AS A TEST CASE, THE PORTUGUESE AIR FORCE HAS FIRED 15 CIVILIAN WORKERS AT ITS OGMA AIRCRAFT MAINTENANCE CENTER. IN JUSTIFYING THE DISMISSALS IT NOTED THAT THE 3,500 MAN LABOR FORCE AT OGMA AVERAGED 742 ABSENTEES PER DAY, AND THAT THE LACK OF PRODUCTIVITY HAD RISKED THE LOSS OF ITS "ONLY SIGNIFICANT FOREIGN AIRCRAFT MAINTENANCE CONTRACT" IN LATE 1975.

7. COMMENT: ALTHOUGH THE SOCIALISTS WILL HAVE REPRESENTATIVES FROM FIFTY FOREIGN ORGANIZATIONS AND POLITICAL PARTIES AT THEIR NATIONAL CONGRESS, THE CONJUNCTION OF THE AFL-CIO ARTICLE ON PORTUGAL AND IRVING BROWN'S VISIT WILL GIVE THE COMMUNISTS MATERIAL FOR A MAJOR PROPAGANDA PLOY. IT IS INDICATIVE OF THE SOCIALISTS' INCREASING SOPHISTICATION IN LABOR MATTERS THAT THEY ARE WILLING TO TAKE THE RISK OF SUCH ATTACKS IN ORDER TO STRENGTHEN TIES WITH THE U.S. LABOR MOVEMENT.

8. INTERSINDICAL HAS EFFECTIVELY DEFENDED ITS CLAIM OF BEING THE REPRESENTATIVE LABOR CONFEDERATION IN PORTUGAL BY VIRTUE OF ESTABLISHING THE ORGANIZATIONAL MACHINERY FOR A NATIONAL LABOR CONGRESS WITH WIDE SUPPORT, AND AT LEAST TOKEN PARTICIPATION OF SEVERAL OPEN LETTER UNIONS. HOWEVER, THE SPLIT BETWEEN INTERSINDICAL AND THE REMAINING OPEN LETTER UNIONS IS NOW WIDER AND MORE CLEARLY DEFINED THAN EVER.

9. THE GOVERNMENT'S ANNOUNCEMENT OF AN INCREASED MINIMUM WAGE (ABOUT 10 PERCENT) IS WELL BELOW THE CONFIDENTIAL

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EXPECTED INFLATION RATE FOR 1976, WHICH MAY REACH 30 PERCENT. THE FACT THAT, AS CURRENTLY STATED, THE INCREASE WOULD NOT NEED TO BE FULLY IMPLEMENTED UNTIL DECEMBER 31, 1977, IS EVIDENCE OF THE GOVERNMENT'S INTENTION TO LIMIT WAGE INCREASES. OKUN

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